

Senate Amendment 5293

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1 1 Amend Senate File 443, as passed by the Senate, as
1 2 follows:
1 3 #1. Page 1, by striking line 1 and inserting the
1 4 following:
1 5 1 6 Supplement 2003, is amended to read as follows:
1 7 3. "Investor" means ~~an individual~~ a person making
1 8 a cash investment in a qualifying business or ~~an~~
~~1 9 individual taxed on income from a revocable trust's~~
~~1 10 cash investment in a qualifying business or a person~~
~~1 11 making a cash investment in a community-based seed~~
1 12 capital fund. "Investor" does not include a person
1 13 ~~which is a current or previous that holds at least a~~
1 14 ~~seventy percent ownership interest as an owner,~~
1 15 member, or shareholder in a qualifying business.
1 16 Sec. 2. Section 15E.43, subsection 1, paragraphs a
1 17 and b, Code Supplement 2003, are amended to read as
1 18 follows:
1 19 ~~a. For tax years beginning on or after January 1,~~
~~1 20 2002, a tax credit shall be allowed against the taxes~~
~~1 21 imposed in chapter 422, division II, for a portion of~~
~~1 22 an individual taxpayer's equity investment, as~~
~~1 23 provided in subsection 2, in a qualifying business.~~
~~1 24 An individual shall not claim a tax credit under this~~
~~1 25 paragraph of a partnership, limited liability company,~~
~~1 26 S corporation, estate, or trust electing to have~~
~~1 27 income taxed directly to the individual. However, an~~
~~1 28 individual receiving income from a revocable trust's~~
~~1 29 investment in a qualified business may claim a tax~~
~~1 30 credit under this paragraph against the taxes imposed~~
~~1 31 in chapter 422, division II, for a portion of the~~
~~1 32 revocable trust's equity investment, as provided in~~
~~1 33 subsection 2, in a qualified business.~~
1 34 b. For tax years beginning on or after January 1,
1 35 2002, a tax credit shall be allowed against the taxes
1 36 imposed in chapter 422, divisions II, III, and V, and
1 37 in chapter 432, and against the moneys and credits tax
1 38 imposed in section 533.24, for a portion of a
1 39 taxpayer's equity investment, as provided in
1 40 subsection 2, in a qualifying business or a community=
1 41 based seed capital fund. An individual may claim a
1 42 tax credit under this paragraph of a partnership,
1 43 limited liability company, S corporation, estate, or
1 44 trust electing to have income taxed directly to the
1 45 individual. The amount claimed by the individual
1 46 shall be based upon the pro rata share of the
1 47 individual's earnings from the partnership, limited
1 48 liability company, S corporation, estate, or trust.
1 49 Sec. 3. Section 15E.44, subsection 4, Code
1 50 Supplement 2003, is amended to read as follows:
2 1 4. After verifying the eligibility of a qualifying
2 2 business, the board shall issue a tax credit
2 3 certificate to be attached to the equity investor's
2 4 tax return. The tax credit certificate shall contain
2 5 the taxpayer's name, address, tax identification
2 6 number, the amount of credit, the name of the
2 7 qualifying business, and other information required by
2 8 the department of revenue. The tax credit
2 9 certificate, unless rescinded by the board, shall be
2 10 accepted by the department of revenue as payment for
2 11 taxes imposed pursuant to chapter 422, ~~division~~
2 12 ~~divisions II, III, and V, and in chapter 432, and for~~
2 13 ~~the moneys and credits tax imposed in section 533.24,~~
2 14 subject to any conditions or restrictions placed by
2 15 the board upon the face of the tax credit certificate
2 16 and subject to the limitations of section 15E.43.
2 17 Sec. 4. Section 15E.51, subsection 4, Code
2 18 Supplement 2003, is amended to read as follows:
2 19 4. A taxpayer shall not claim a tax credit under
2 20 this section if the taxpayer is a venture capital
2 21 investment fund allocation manager for the Iowa fund
2 22 of funds created in section 15E.65 or an investor that
2 23 receives a tax credit for the same investment in a
2 24 qualifying business as described in section 15E.44 or
2 25 in a community-based seed capital fund as described in

2 26 section 15E.45.
2 27 Sec. 5. Section 15E.45, subsection 2, paragraph b,
2 28 Code>.
2 29 #2. Page 1, by striking line 13 and inserting the
2 30 following:
2 31 _____. APPLICABILITY DATES.
2 32 1. Sections 1 through 4 of this Act apply
2 33 retroactively to January 1, 2004, for tax years
2 34 beginning on or after that date.
2 35 2. Section 5 of this Act applies>.
2 36 #3. Title page, line 2, by striking the words 2 37 retroactive applicability date>
and inserting the
2 38 following: .
2 39 SF 443.H
2 40 tm/es/25